Doing Business As (DBA)

Statera Asset Management

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Form ADV, Part 2A Brochure

June 29, 2020

This brochure provides information about the qualifications and business practices of Signature Resources Capital Management, LLC doing business as Statera Asset Management. If you have any questions about the contents of this brochure, please contact us at (949) 261-7726. The information in this brochure has not been approved or verified by the United States Securities and Exchange Commission or by any state securities authority.

Any reference to or use of the terms "registered investment adviser" or "registered," does not imply that Signature Resources Capital Management, LLC or any person associated with Signature Resources Capital Management, LLC has achieved a certain level of skill or training.

Additional information about Signature Resources Capital Management, LLC also is available on the SEC's website at **www.adviserinfo.sec.gov**.

ITEM 2 – MATERIAL CHANGES

The purpose of this page is to inform you of any material changes since the last annual update of this brochure. If you are receiving this brochure for the first time this section may not be relevant to you.

Signature Resources Capital Management, LLC ("SRCM") also known as Statera Asset Management ("Statera") reviews and updates our brochure at least annually to confirm that it remains current.

Material changes since the annual update to Statera's brochure, dated March 27, 2020:

No material changes have occurred since our last annual amendment dated March 27, 2020.

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ITEM 4 – ADVISORY BUSINESS

Description of Advisory Firm

Signature Resources Capital Management, LLC ("SRCM," "we," "our," or "us") is a privately owned Limited Liability Company headquartered in Irvine, California. SRCM was founded in April 2007, and in June 2007, we started operating as an investment adviser registered with the U.S. Securities and Exchange Commission. Gary Kaltenbach, Geoffrey Kaltenbach, and Gregory Kaltenbach are the principal owners of the firm.

SRCM is an independent fee-only investment and financial advisory firm. We do not offer any proprietary products and do not maintain any inventory, which means we are able to offer independent, objective wealth and investment management solutions.

Mission Statement

Our mission is to bring efficient and decisive financial advice to affluent families and provide the most satisfying client experience in America.

Vision Statement

Our vision is to create experiences that combine our expertise with our client's collaborative input to deliver quality, professional and independent advice.

Advisory Services Offered

SRCM provides a range of investment advisory and investment management solutions to retail investors, including financial, retirement and estate planning services. Advisory solutions comprise a range of services and deliverables, including regular fact-finding and informational conversations with the client's advisor, periodic reports on progress toward financial goals and interactive tools to examine potential future scenarios. The firm also provides Retirement Plan Services.

Investment Management

We provide Investment Management services ("investment solutions," "portfolio management", "Portfolios" and "models") to our clients on a discretionary basis. The Investment Management service includes, among other things, providing advice regarding asset allocation and/or the selection of investments.

Our investment advisory and management solutions seek to incorporate client investments into broader strategies that target near- and long-term financial goals. When working with clients to resolve suitable investment portfolios, the solutions we develop seek to address the natural first order of client engagement related to investments—the need for a portfolio suited to a particular level of exposure to investment risk as defined by the client's tolerance for such risk.

The Investment Team ("Team") manages client engagements on an individual basis, with decisions guided by unique client objectives and restrictions. To facilitate the investment management process, the Team maintains a range of investment models built to provide specific exposures to investment risk. Each model is customizable to specific client situations. This approach should enable our advisors to address current client investment scenarios, while enabling flexible adaptation to any changes to those scenarios as they may occur over time.

Clients are responsible for informing us of any changes to their investment objectives, risk profile, financial status and/or restrictions. We do not assume any responsibility for the accuracy of the information provided by the client.

Portfolio decisions we direct generally include investments in mutual funds and exchange traded funds (ETFs) that represent both equity (stocks) and fixed income (bonds). SRCM remains flexible in accommodating individual client needs and restrictions at the initiation of the relationship and as they might evolve over time.

Additionally, depending on the individual investment objectives and needs of the client, SRCM occasionally will offer advice regarding additional types of investments if they are appropriate to address the individual needs, goals, and objectives of the client or in response to client inquiry. As needed, SRCM will offer investment advice on any investment held by the client at the start of the advisory relationship.

We describe the material investment risks for many of the securities that we recommend under the heading ***Specific Security Risks*** in ***Item 8*** below.

Sub-Advisory Relationships

SRCM, doing business as Statera Asset Management, provides sub-advisory services through a turnkey asset management program ("TAMP") offered by Envestnet Asset Management. SRCM provides to Envestnet "model" target asset allocations across a series of portfolios. SRCM receives compensation for providing these model portfolio allocations that is composed of an asset-based fee accrued quarterly based on the market values of the client portfolios managed by Envestnet as of the last day of each quarter.

We discuss discretionary authority below under ***Item 16 – Investment Discretion***. For more information about the restrictions clients can put on their accounts, see ***Tailored Services and Client Imposed Restrictions*** in this item below. We describe the Fees charged for investment management services below under ***Item 5 – Fees and Compensation***.

Limited-Discretionary & Non-Discretionary Accounts

SRCM also offers investment management services to clients on a limited-discretionary basis and non-discretionary basis. See also **Item 16 – *Investment Discretion*** below.

Employer-Sponsored Retirement Plans and Their Participants

Signature Resources Capital Management offers (1) Discretionary Investment Management Services, (2) Non-Discretionary Investment Advisory Services and/or (3) Retirement Plan Consulting Services to employer-sponsored retirement plans and their participants. Depending on the type of the Plan and the specific arrangement with the Sponsor, we may provide one or more of these services. Prior to being engaged by the Sponsor, we will provide a copy of this Form ADV Part 2 along with a copy of our Privacy Policy and ***Advisory Agreement*** ("Agreement") that contains the information required under Sec. 408(b)(2) of the Employee Retirement Income Security Act ("ERISA") as applicable.

The Agreement authorizes our Investment Adviser Representatives ("IARs") to deliver one or more of the following services:

Discretionary Investment Management Services

These services are designed to allow the Plan fiduciary to delegate responsibility for managing, acquiring and disposing of Plan assets that meet the requirements of the Employee Retirement Income Security Act of 1974 ("ERISA"). We will perform these investment management services through our IARs and charge fees as described in this Form ADV and the Agreement. If the Plan is subject to ERISA, we will perform these services as an "investment manager" as defined under ERISA Section 3(38) and as a "fiduciary" to the Plan as defined under ERISA Section 3(21). Specifically, the Sponsor may determine that we perform the following services:

Selection, Monitoring & Replacement of Designated Investment Alternatives ("DIAs")

Advisor will review with Sponsor the investment objectives, risk tolerance and goals of the Plan and provide to Sponsor an IPS that contains criteria from which Advisor will select, monitor and replace the Plan's DIAs. Once approved by Sponsor, Advisor will review the investment options available to the Plan and will select the Plan's DIAs in accordance with the criteria set forth in the IPS. On a periodic basis, Advisor will monitor and evaluate the DIAs and replace any DIA(s) that no longer meet the IPS criteria.

Selection, Monitoring & Replacement of Qualified Default Investment Alternatives ("QDIA(s)")

Based upon the options available to the Plan, Advisor will select, monitor and replace the Plan's QDIA(s) in accordance with the IPS.

Management of Trust Fund

Advisor will review with Sponsor the investment objectives, risk tolerance and goals of the Plan and provide to Sponsor an IPS that contains criteria from which Advisor will select, monitor and replace the Plan's investments. Once approved by Sponsor, Advisor will review the investment options available to the Plan and will select the Plan's investments in accordance with the criteria set forth in the IPS. On a periodic basis, Advisor will monitor and evaluate the investments and replace any investment(s) that no longer meet the IPS criteria.

Non-Discretionary Fiduciary Services

These services are designed to allow the Sponsor to retain full discretionary authority or control over assets of the Plan. We will solely be making recommendations to the Sponsor. We will perform these Non-Discretionary investment advisory services through our IARs and charge fees as described in this Form ADV and the Agreement. If the Plan is covered by ERISA, we will perform these investment advisory services to the Plan as a "fiduciary" defined under ERISA Section 3(21). The Sponsor may engage us to perform one or more of the following Non-Discretionary investment advisory services:

Investment Policy Statement ("IPS")

Advisor will review with Sponsor the investment objectives, risk tolerance and goals of the Plan. If the Plan does not have an IPS, Advisor will provide recommendations to Sponsor to assist with establishing an IPS. If the Plan has an existing IPS, Advisor will review it for consistency with the Plan's objectives. If the IPS does not represent the objectives of the Plan, Advisor will recommend to Sponsor revisions to align the IPS with the Plan's objectives.

Advice Regarding Designated Investment Alternatives ("DIAs")

Based on the Plan's IPS or other guidelines established by the Plan, Advisor will review the investment options available to the Plan and will make recommendations to assist Sponsor with selecting DIAs to be offered to

Plan participants. Once Sponsor selects the DIAs, Advisor will, on a periodic basis and/or upon reasonable request, provide reports and information to assist Sponsor with monitoring the DIAs. If a DIA is required to be removed, Advisor will provide recommendations to assist Sponsor with replacing the DIA.

Advice Regarding Qualified Default Investment Alternative ("QDIA(s)")
Based on the Plan's IPS or other guidelines established by the Plan, Advisor will review the investment options available to the Plan and will make recommendations to assist Sponsor with selecting or replacing the Plan's QDIA(s).

Participant Investment Advice
Advisor will meet with Plan participants, upon reasonable request, to collect information necessary to identify the Plan participant's investment objectives, risk tolerance, time horizon, etc. Advisor will provide written recommendations to assist the Plan participant with creating a portfolio using the Plan's DIAs or Models, if available. The Plan participant retains sole discretion over the investment of his/her account.

Advice Regarding Investment of Trust Fund
Based on the Plan's IPS, Advisor will review the investment options available to the Plan and will make recommendations to assist Sponsor with selecting investments that meet the IPS criteria. Once Sponsor selects the investment(s), Advisor will, on a periodic basis and/or upon reasonable request, provide reports and information to assist Sponsor with monitoring the investment(s). If the IPS criteria require any investment(s) to be replaced, Advisor will provide recommendations to assist Sponsor with replacing the investment(s).

Retirement Plan Consulting Services
Retirement Plan Consulting Services are designed to allow our IARs to assist the Sponsor in meeting his/her fiduciary duties to administer the Plan in the best interests of Plan participants and their beneficiaries. Retirement Plan Consulting Services are performed so that they would not be considered "investment advice" under ERISA. The Sponsor may elect for our IARs to assist with any of the following services:

Administrative Support

- Assist Sponsor in reviewing objectives and options available through the Plan
- Review Plan committee structure and administrative policies/procedures
- Recommend Plan participant education and communication policies under ERISA 404(c)
- Assist with development/maintenance of fiduciary audit file and document retention policies
- Deliver fiduciary training and/or education periodically or upon reasonable request
- Recommend procedures for responding to Plan participant requests

Service Provider Support

- Assist fiduciaries with a process to select, monitor and replace service providers
- Assist fiduciaries with review of Covered Service Providers ("CSP") and fee benchmarking
- Assist with preparation and review of Requests for Proposals and/or Information
- Coordinate and assist with CSP replacement and conversion

Investment Monitoring Support

- Periodic review of investment policy in the context of Plan objectives

- Assist the Plan committee with monitoring investment performance
- Educate Plan committee members, as needed, regarding replacement of DIA(s) and/or QDIA(s)

Participant Services

- Facilitate group enrollment meetings and coordinate investment education

Potential Additional Retirement Services Provided Outside of the Agreement

In providing Retirement Plan Services, Signature Resources Capital Management and its IARs may establish a client relationship with one or more Plan participants or beneficiaries. Such client relationships develop in various ways, including, without limitation:

1. as a result of a decision by the Plan participant or beneficiary to purchase services from Signature Resources Capital Management not involving the use of Plan assets;
2. as part of an individual or family financial plan for which any specific recommendations concerning the allocation of assets or investment recommendations relating to assets held outside of the Plan; or
3. through a rollover of an Individual Retirement Account ("IRA Rollover").

If Signature Resources Capital Management is providing Retirement Plan Services to a plan, IARs may, when requested by a Plan participant or beneficiary, arrange to provide services to that participant or beneficiary through a separate agreement. If a Plan participant or beneficiary desires to affect an IRA Rollover from the Plan to an account advised or managed by Signature Resources Capital Management, IAR will have a conflict of interest if his/her fees are reasonably expected to be higher than those paid to Signature Resources Capital Management in connection with the Retirement Plan Services. IAR will disclose relevant information about the applicable fees charged by Signature Resources Capital Management prior to opening an IRA account. Any decision to affect the rollover or about what to do with the rollover assets remain that of the Plan participant or beneficiary alone.

In providing these optional services, we may offer employers and employees information on other financial and retirement products or services offered by Signature Resources Capital Management and our IARs.

Financial Planning & Consulting Services

SRCM's primary service offering is Investment Management Services, which includes estate and financial planning as a component. However, we also offer stand-alone Financial Planning and Consulting Services. SRCM offers a range of Financial Planning Services, from broad planning to custom planning focused on specific areas requested by the client. SRCM provides general non-securities advice on topics that may include tax and budgetary planning, estate planning and business planning. Our Financial Planning Services do not include preparation of any kind of income, gift or estate tax returns nor preparation of any legal documents, including wills or trusts. We do not offer tax or legal advice of any kind.

We offer both Financial Planning Services and Investment Management Services. When preparing a financial plan, we may have an incentive to recommend our Investment Management Services. Additionally, a number of our personnel hold insurance and brokerage licenses. When preparing a financial plan, we may have an incentive to recommend insurance or brokerage products for which we or any of our personnel earn a separate fee or commission. However, Financial Planning Services clients are under no obligation to act upon any recommendations of SRCM or to effect any transactions through SRCM or any of our personnel if they decide to follow the recommendations. For additional information on our insurance and brokerage licenses, please see ***Item 10 – Other Financial Industry Activities and Affiliations.***

We describe fees charged for financial planning services below under ***Item 5 – Fees and Compensation***.

401K Consulting

SRCM provides services to 401K plans. Services include monitoring plan options and providing education to plan participants.

We describe fees charged for 401K services below under ***Item 5 – Fees and Compensation***.

Limitations on Investments

In some circumstances, SRCM's advice may be limited to certain types of securities.

Limitation by Plan Sponsor/Employer or Insurance Company

In the event SRCM is managing assets within a retirement plan such as 401(k), 403(b) or other employer plan, SRCM is limited to those investment providers and investment options chosen by the plan administrator. When we provide services to participants in an employer-sponsored plan, the participant may be limited to investing in securities included in the plan's investment options.

Similarly, management of the cash value of fee-based life insurance accounts is limited to those investment options made available by the insurance company. The insurance company may also impose limitations on frequency of trading. Therefore, SRCM can only make recommendations to the client from among the available options and will not recommend or invest the client's account in other securities, even if there may be better options elsewhere.

Limitation by Client

SRCM may also limit advice based on certain client-imposed restrictions. For more information about the restrictions clients can put on their accounts, see ***Tailored Services and Client Imposed Restrictions*** directly below.

Tailored Services and Client Imposed Restrictions

SRCM manages client accounts based on the investment strategy the client chooses, as discussed below under ***Item 8 – Methods of Analysis, Investment Strategies, and Risk of Loss***. SRCM applies the strategy for each client, based on the client's individual circumstances and financial situation. We make investment decisions for clients based on information the client supplies about their financial situation, goals and risk tolerance. Our recommendations will be limited if the client does not provide us with accurate and complete information. It is the client's responsibility to keep SRCM informed of any changes to their investment objectives or restrictions.

Clients have the option to request other restrictions on the account, such as a minimum level of cash in the account or does not want SRCM to buy or sell certain specific securities or security types in the account. SRCM reserves the right to not accept and/or terminate management of a client's account if we feel that the client-imposed restrictions would limit or prevent us from meeting or maintaining the client's investment strategy.

When providing investment fiduciary services, we will tailor our advice or (if applicable) discretion to meet the investment policies or other written guidelines adopted by the Sponsor. When providing Participant Investment Advice, such advice will be based upon the investment objectives, risk tolerance and investment time horizon of each individual Plan participant.

Wrap Fee Programs

SRCM does not manage accounts as part of a wrap or bundled fee program.

Client Assets

Regulatory Assets Under Management are calculated the same for Form ADV Part 1 and Part 2A. These figures include all fee paying and non-fee paying (employees, family members, and friends) accounts to whom we provide our portfolio management services as of the date indicated.

SRCM manages client assets in discretionary accounts on a continuous and regular basis. As of 12/31/2019, the total amount of discretionary assets under our management was $212,971,920.

Assets Under Advisement ("AUA")

SRCM also provides investment recommendations to various third-party platforms, which in turn implement our advice to retail clients on their platforms. As of 12/31/2019, our total AUA was $126,988,071.

ITEM 5 – FEES AND COMPENSATION

Fee Schedule

Investment Management Services

SRCM charges advisory fees for Investment Management Services. SRCM's advisory fees are charged based on a percentage of the client's total assets under management, per the following schedules:

Total Assets Under Management		Annual Fee
From	To	
$0	$999,999	Up to 1.75%
Over $1,000,000		Negotiable

Generally, SRCM charges a program fee for accounts under $250,000 (see fee schedule below). These fees are in addition to our standard investment management fee noted above.

Total Assets Under Management		Annual Program Fee
From	To	
$0	$50,000	Up to 0.30%
$50,001	$100,000	Up to 0.20%
$100,001	$250,000	Up to 0.10%

Our fee schedules are negotiable based on a number of factors including but not limited to: "grandfathered" accounts, related accounts, types of investments managed, and other structures that we consider in special situations. We also manage some family, client, and related accounts without charge. Clients referred by unaffiliated solicitors may pay a higher total fee (inclusive of solicitor fees) than the annual advisory fees outlined above. We reserve the right to change the annual advisory fee schedule listed above at any time. Lower fees for comparable services may be available from other sources.

Financial Planning & Consulting Services

SRCM charges clients either an hourly or a fixed fee for financial planning and consulting services. We base fees on the complexity of the plan or project and the range of services provided. Hourly fees are $350 an hour and fixed fees generally range from $500 to $10,000. Rates are negotiable, and we reserve the right to change these fees at any time.

Billing Method

Investment Management Services

SRCM's advisory fees are payable quarterly in advance and due on the first day of each calendar quarter. We charge one fourth of the annual fee rate each quarter based on the market value of the client's portfolio as of the last day of the prior calendar quarter. The formula used for the calculation is as follows: *(Annual Rate) x (Total Assets Under Management at Quarter-End) / 4*. We adjust the fee in the event of net contributions or withdrawals in the account during the prior calendar quarter, subject to a materiality threshold. Lastly, we generally aggregate accounts for the same individual or accounts within the same household.

For new client accounts, the first payment is a pro-rata calculation and billed with the next quarter's fee. The calculation will take into consideration the number of days remaining in the quarter and the initial value of the portfolio. The formula used to calculate the initial advisory fee would be as follows: *(Result of Quarterly Calculation) x (Days Remaining in Quarter) / (Total Number of Days in Quarter).*

At a client's request, SRCM provides advice and consultation at an hourly rate of $350 or on a negotiated flat fee basis. These fees are negotiable depending on the nature and complexity of each client's circumstances. In these instances, we will provide an estimate of the total hours required at the start of the relationship and we will require client written consent. In such situations, the hourly or flat fees charged would be paid in addition to our annual fee listed above, but in no event will our total compensation paid by the client exceed three percent (3%) of the client's total assets under management.

It is up to the client whether they wish to have the advisory fees withdrawn directly from their custodian account (or life insurance policy) or pay by check. With client authorization, SRCM will automatically withdraw SRCM's advisory fee from the client's account held by an independent custodian. Typically, the custodian withdraws advisory fees from the client's account during the first month of each quarter based on SRCM's instruction. All clients will receive brokerage statements from the custodian no less frequently than quarterly. The custodian statement will show the deduction of the advisory fee for those clients who authorize the advisory fees to be withdrawn directly from their custodian account.

SRCM will send a statement to each client who authorizes SRCM to withdraw fees directly from the custodian. The statement will show the value of the client's assets upon which we based the fee, the amount of the fee, how we calculated the fee, and adjustments for contributions and withdrawals, if any. It is the client's responsibility to verify the accuracy of the fee calculation. The custodian will not determine whether the fee is properly calculated.

SRCM will send an invoice to all clients who choose not to have advisory fees withdrawn directly from their custodian account. The invoice is payable upon receipt and will include the fee calculation and amount due.

Financial Planning & Consulting Services

We offer clients one of three ways to pay for planning services:

- **Hourly Fees:** Clients pay hourly fees for our services, which we outline in the Financial Planning Agreement. Typically, hourly fees are payable monthly in arrears. We will send each client on a monthly basis an invoice, which will reflect the hours spent on the service and fees due. Depending on the services provided, we may instead send one invoice upon completion of the services instead of monthly invoices.
- **Project Fees:** One-half of the total project fees are due and payable at the time the client executes the agreement. The remainder of the fee is due upon presentation of a plan or the rendering of consulting services, as specified in the Financial Planning Agreement.
- **Annual Retainer Fees:** The fee is determined based upon the scope of work to be performed and the nature of ongoing consulting desired, (which can be updated annually). This approach is recommended where the nature of the planning work is complex, and the client has multiple financial concerns requiring regular advice and guidance. The annual retainer fee is payable quarterly in arrears.

Retirement Plan Services Fees

Fees for the Retirement Plan Services ("Fees") are negotiable. A description of the different types of fees for Retirement Plan Services appears in the fee schedule below:

Fee Type	Fee Range
Assets Under Managements	<u>Total Assets Under Management</u> — <u>Annual Fee</u> <u>From</u> — <u>To</u> $0 — $999,999 — Up to 1.75% Over $1,000,000 — Negotiable
Flat Fee	Negotiable
Project Fee	Negotiable

Depending on the capabilities and requirements of the Plan's recordkeeper or custodian, we may collect our Fees in arrears or in advance. Typically, Sponsors instruct the Plan's recordkeeper or custodian to automatically deduct our Fees from the Plan account; however, in some cases a Sponsor may request that we send invoices directly to the Sponsor or recordkeeper/custodian.

Sponsors receiving Retirement Plan Services may pay more than or less than a client might otherwise pay if purchasing the Retirement Plan Services separately or through another service provider. There are several factors that determine whether the costs would be more or less, including, but not limited to, the size of the Plan, the specific investments made by the Plan, the number of or locations of Plan participants, the

Retirement Plan Services offered by another service provider, and the actual costs of Retirement Plan Services purchased elsewhere. In light of the specific Retirement Plan Services offered by Signature Resources Capital Management, the Fees charged may be more or less than those of other similar service providers.

In determining the value of the Account for purposes of calculating any asset-based Fees, Advisor will rely upon the valuation of assets provided by Sponsor or the Plan's custodian or recordkeeper without independent verification. If, however, there are circumstances which, in the Advisor's judgment, render the custodian's valuation inappropriate in which case Advisor will value securities listed on any national securities exchange at the closing price on the principal exchange on which they are traded and will value any other securities in a manner determined in good faith by Advisor to reflect fair market value. In all events, any such valuation will not be any guarantee of the market value of any of the assets in the Plan.

Unless we agree otherwise, no adjustments or refunds will be made in respect of any period for (i) appreciation or depreciation in the value of the Plan account during that period or (ii) any partial withdrawal of assets from the account during that period. If the Agreement is terminated by us or by Sponsor, we will refund certain Fees to Sponsor to the extent provided in Section 8 of the Agreement. Unless we agree otherwise, all Fees shall be based on the total value of the assets in the account without regard to any debit balance.

All Fees paid to Signature Resources Capital Management for Retirement Plan Services are separate and distinct from the fees and expenses charged by mutual funds, variable annuities and exchange traded funds to their shareholders. These fees and expenses are described in each investment's prospectus. These fees will generally include a management fee, other expenses, and possible distribution fees. If the investment also imposes sales charges, a client may pay an initial or deferred sales charge. The Retirement Plan Services provided by Signature Resources Capital Management may, among other things, assist the client in determining which investments are most appropriate to each client's financial condition and objectives and to provide other administrative assistance as selected by the client. Accordingly, the client should review both the fees charged by the funds, the fund manager, the Plan's other service providers and the fees charged by Signature Resources Capital Management to fully understand the total amount of fees to be paid by the client and to evaluate the Retirement Plan Services being provided.

While not necessarily related to the Retirement Plan Services, various vendors, product providers, distributors and others may provide non-monetary compensation by paying some expenses related to training and education, including travel expenses and attaining professional designations. We might receive payments to subsidize our own training programs. Certain vendors may invite us to participate in conferences, on-line training or provide publications that may further IARs and employees' skills and knowledge. Some may occasionally provide us with gifts, meals and entertainment of reasonable value consistent with industry rules and regulations.

If applicable, and in the event the payments are received in connection with or as a result of the Retirement Plan Services, we will disclose such fees to Sponsors in accordance with ERISA and Department of Labor regulations.

No increase in the Fees will be effective without prior written notice.

Other Fees and Expenses

SRCM's fees do not include custodian fees. Clients pay all brokerage commissions, stock transfer fees, insurance premiums, mortality charges (for life insurance products), and/or other similar charges incurred in connection with transactions in accounts, from the assets in the account. These charges are in addition to the fees client pays to SRCM. See ***Item 12 – Brokerage Practices*** below for more information.

In addition, any mutual fund shares held in a client's account be subject to deferred sales charges, 12b-1 fees, and other fund-related expenses. The fund's prospectus fully describes the fees and expenses. All fees paid to SRCM for investment advisory services are separate and distinct from the fees and expenses charged by mutual funds. Mutual funds pay advisory fees to their managers, which are indirectly charged to all holders of the mutual fund shares. Consequently, clients with mutual funds in their portfolios are effectively paying both SRCM and the mutual fund manager for the management of their assets.

Termination

Investment Management Services

Either party may terminate the agreement upon thirty (30) days written notice to the other party. The client may terminate the agreement by writing to SRCM at our office.

SRCM will refund any prepaid, unearned advisory fees based on the effective date of termination. The effective termination date used to calculate the refund will be 30 days after we receive written notice of termination from the client, as noted above, or such other date as agreed upon with the client. Upon termination of the agreement, we will send the client a prorated refund of unearned advisory fees using the following formula: *(Fees Paid) x (Days Remaining in Quarter)/ (Total Number of Days in Quarter).*

Financial Planning & Consulting Services

SRCM considers the planning phase of our services to be complete and the agreement terminated upon delivery of the planning project. In the event that either the client or SRCM wishes to terminate the financial planning agreement before completion of the plan, either party may terminate the agreement at any time by providing written notice to the other party. The client may terminate the agreement at any time by writing SRCM at our office.

Upon notice of termination, SRCM will provide the client with an invoice for services provided through the date of termination. If the client paid fees in advance that were more than the amount due for services, SRCM will refund unearned fees to the client.

Retirement Plan Services

Unless we agree otherwise, no adjustments or refunds will be made in respect of any period for (i) appreciation or depreciation in the value of the Plan account during that period or (ii) any partial withdrawal of assets from the account during that period. If the Advisory Agreement is terminated by us or by Sponsor, we will refund certain fees to Sponsor to the extent provided in Section 8 of the Advisory Agreement. Unless we agree otherwise, all Fees shall be based on the total value of the assets in the account without regard to any debit balance.

Other Compensation

Financial firms related to SRCM or certain members of SRCM's personnel earn commissions on the sale of an insurance or brokerage product that we recommend as part of a financial plan. This presents a conflict of interest as we may have an incentive to recommend investment products based on the compensation we receive, rather than on a client's needs. We address this conflict of interest in multiple ways: First, we verbally inform clients when a conflict of interest arises that the client is under no obligation to follow our recommendations or to implement our recommendations through SRCM or any of our personnel who earn a commission on the sale of an investment product. Clients have the option to purchase investment products that SRCM recommends through any broker or agent they desire; Second, at our discretion, we may choose to waive all or a portion of the financial planning fees when the client elects to purchase an investment product that we recommended in an investment plan and either SRCM or one of our personnel earns a fee or commission on the sale of that investment. We do not receive commissions on fee-based life insurance products. For additional information on our Financial Planning Services, see ***Item 4 – Advisory Business*** above. For additional information relating to insurance and brokerage licenses, please see ***Item 10 – Other Financial Industry Activities and Affiliations*** below.

ITEM 6 – PERFORMANCE-BASED FEES AND SIDE-BY-SIDE MANAGEMENT

SRCM does not charge performance-based fees or other fees based on a share of capital gains or capital appreciation of the assets of a client.

ITEM 7 – TYPES OF CLIENTS

SRCM offers discretionary, limited-discretionary and non-discretionary investment management services and financial planning services to individuals, high net worth individuals, trusts and estates and individual participants of retirement plans. In addition, we offer advisory services to pension and profit- sharing plans, charitable organizations and businesses.

Our Retirement Plan Services are available to clients that are sponsors or other fiduciaries to plans, including 401(k), 457(b), 403(b) and 401(a) plans. Plans include participant-directed defined contribution plans and defined benefit plans. Plans may or may not be subject to ERISA.

Account Requirements

Generally, SRCM requires a minimum of $250,000 to establish a new investment management account (with accounts aggregated at the household level). For accounts under $250,000, a program fee generally will be charged to the account in addition to the investment management fee. SRCM may reduce or waive the new account minimum requirements at our discretion. In addition, we may continue to service existing accounts that have values below this minimum.

SRCM does not require a minimum asset amount for Consulting Services.

ITEM 8 – METHODS OF ANALYSIS, INVESTMENT STRATEGIES AND RISK OF LOSS

Methods of Analysis and Investment Strategies

General Investment Strategies

Our approach to investment management is humble in concept and efficient in practice. It is grounded upon more than a century of market history and informed by our collective decades of investment experience. Executed with cost effectiveness and pragmatism in mind, our methodology acknowledges the give and take of return and risk inherent to all investments and is designed to be applicable to a very wide range of individual client scenarios.

At the core of our Investment Approach is our Investment Philosophy:

Capital market prices reflect collective investor expectations for the potential risks and returns inherent to all investments. This crowd-sourced wisdom leaves little room for incremental gain over the aggregate performance of similar securities. Nonetheless, certain investment characteristics have shown to support greater-than-average returns over time. We manage portfolios built to favor these characteristics, while emphasizing portfolio diversification within and among a diverse range of asset classes, to foster the optimal experience for our clients and partners.

Based on that Philosophy, the following features generally define our Investment Approach:

- We consider risk an equal peer to return in determining appropriate paths for client portfolios
- We emphasize broad diversification across a range of global asset classes
- We tilt portfolio exposures to emphasize investment characteristics suggestive of potential long-term outperformance
- We map combinations of these major asset classes to specific risk-tolerance levels to formulate our range of investment solutions

The approach aligns along the risk and time-horizon spectrums increasing exposures to characteristics understood to be indicative of prospective incremental return. This approach informs our Global Target Risk Strategy, which is meant to serve as a through-cycle, core- or whole-portfolio solution. Great care thus is taken when considering shifts in portfolio exposures, with enhanced diversification firstly and incremental gain in expected risk-relative return secondarily comprising the bulk of the defensibility of such decisions.

After considering the static strategic mix of equity and fixed income, we believe long-term drivers of risk-relative performance will originate primarily from enhanced global diversification, with incremental gain sought through asset-class and sub-asset-class tilts to specific factors shown to have been indicative of long-term outperformance.

Methods of Analysis for Selecting Securities

Mutual Funds and ETFs

The Investment Team's development of the investment opportunity set begins with a regular scan of exposures relevant to our model portfolios, which include the breadth of mutual fund and ETF offerings. The Team reduces this mix to those exposures that constitute the broadest mix of potential diversification both among and within global capital markets, while maintaining the level of exposure to risk factors the Team believes is consistent with the objective of optimal return for a given target level of aggregate portfolio risk.

The Investment Team closely monitors the relative performance of similarly defined funds. This work seeks to ensure that the Team is appropriately defining the investment opportunity set. This review focuses on differences in portfolio construction (e.g., simple ranked value, versus optimization-based portfolio construction, with implications for underlying portfolio turnover), factor-relative tracking error and overall implementation cost.

The Investment Team leans heavily on mutual fund and ETF managers to provide detail regarding the underlying portfolio construction methodologies related to their portfolios. The Investment Team also utilizes third-party database platforms (such as Bloomberg and Morningstar Direct℠) to perform due diligence on mutual funds and ETFs. The firm does not make use of outside consultants for investment recommendations.

Specific Investment Strategies for Managing Portfolios

Long-term Holding/Short-term Trading

SRCM primarily seeks to hold securities for the longer-term, especially in taxable accounts. SRCM does not generally purchase securities for clients with the intent to sell the securities within 30 days of purchase, as SRCM does not use short-term trading as an investment strategy. However, there are times when SRCM will sell a security for a client when the client has held the position for less than 30 days.

Dollar-Cost-Averaging

Dollar cost averaging involves investing money each month or quarter, to take advantage of price fluctuations in the attempt to get a lower average cost per share.

Cash as a Strategic Asset

SRCM in consultation with the client may use cash as a strategic asset and at times move or keep client’s assets in cash or cash equivalents. When clients elect not to be invested in the market or reduce their exposure to the market by holding cash, they risk not participating in the returns during a market increase.

Margin

Some clients of SRCM maintain margin accounts. SRCM does not use margin as an investment strategy. Clients are responsible for any brokerage or margin charges in addition to advisory fees.

General Risk of Loss Statement

Prior to entering into an agreement with SRCM, the client should carefully consider that:

1. Investing in securities involves risk of loss which clients should be prepared to bear;
2. Securities markets experience varying degrees of volatility;
3. Over time the client’s assets may fluctuate and at any time be worth more or less than the amount invested; and
4. Clients should only commit assets that they feel are currently unneeded and available to SRCM for investment on a long-term basis. This is typically a minimum of five to seven years.

Specific Security Risks

General Risks of Owning Securities

The prices of securities held in client accounts and the income they generate may decline in response to certain events taking place around the world. These include events directly involving the issuers of securities held as underlying assets of mutual funds in a client's account, conditions affecting the general economy, and overall market changes. Other contributing factors include local, regional, or global political, social, or economic instability and governmental or governmental agency responses to economic conditions. Finally, currency, interest rate, and commodity price fluctuations may also affect security prices and income.

The prices of, and the income generated by, most debt securities held by a client's account may be affected by changing interest rates and by changes in the effective maturities and credit ratings of these securities. For example, the prices of debt securities in the client's account generally will decline when interest rates rise and increase when interest rates fall. In addition, falling interest rates may cause an issuer to redeem, "call" or refinance a security before its stated maturity, which may result in reinvesting the proceeds in lower yielding securities. Longer maturity debt securities generally have higher rates of interest and may be subject to greater price fluctuations than shorter maturity debt securities. Debt securities are also subject to credit risk, which is the possibility that the credit strength of an issuer will weaken and/or an issuer of a debt security will fail to make timely payments of principal or interest and the security will go into default. The guarantee of a security backed by the U.S. Treasury or the full faith and credit of the U.S. government only covers the timely payment of interest and principal when held to maturity. This means that the current market values for these securities will fluctuate with changes in interest rates.

Investments in securities issued by entities based outside the United States may be subject to increased levels of the risks described above. Currency fluctuations and controls, different accounting, auditing, financial reporting, disclosure, regulatory and legal standards and practices could also affect investments in securities of foreign issuers. Additional factors may include expropriation, changes in tax policy, greater market volatility, different securities market structures, and higher transaction costs. Finally, various administrative difficulties, such as delays in clearing and settling portfolio transactions, or in receiving payment of dividends can increase risk. Finally, investments in securities issued by entities domiciled in the United States may also be subject to many of these risks.

Mutual Funds (Open-end Investment Company)

The benefits of investing through mutual funds include diversification, affordability, and liquidity. Mutual funds also have features that some investors might view as disadvantages:

Costs Despite Negative Returns

Investors must pay sales charges, annual fees, and other expenses regardless of how the fund performs. Depending on the timing of their investment, investors may also have to pay taxes on any capital gains distribution they receive. This includes instances where the fund went on to perform poorly after purchasing shares.

Lack of Control

Investors typically cannot ascertain the exact make-up of a fund's portfolio at any given time, nor can they directly influence which securities the fund manager buys and sells or the timing of those trades.

Price Uncertainty

With an individual stock, investors can obtain real-time (or close to real-time) pricing information with relative ease by checking financial websites or by calling a broker or asking the investment adviser. Investors can also monitor how a stock's price changes from hour to hour—or even second to second. By contrast, with a mutual fund, the price at which an investor purchases or redeems shares will typically depend on the fund's NAV, which the fund might not calculate until many hours after the investor placed the order. In general, mutual funds must calculate their NAV at least once every business day, typically after the major U.S. exchanges close.

Different Types of Funds

Each type of mutual fund has different features and different risks and rewards. Generally, the higher the potential return, the higher the risk of loss.

Money Market Funds

Money market funds have relatively low risks, compared to other mutual funds (and most other investments). By law, they can invest in only certain high quality, short-term investments issued by the U.S. Government, U.S. corporations, and state and local governments. Money market funds try to keep their net asset value (NAV), which represents the value of one share in a fund, at a stable $1.00 per share. However, the NAV may fall below $1.00 if the fund's investments perform poorly. Investor losses have been rare, but they are possible. Money market funds pay dividends that generally reflect short-term interest rates, and historically the returns for money market funds have been lower than for either bond or stock funds. That is why "inflation risk," the risk that inflation will outpace and erode investment returns over time, can be a potential concern for investors in money market funds.

Bond Funds

Bond funds generally have higher risks than money market funds, largely because they typically pursue strategies aimed at producing higher yields. Unlike money market funds, the SEC's rules do not restrict bond funds to high quality or short-term investments. Because there are many different types of bonds, bond funds can vary dramatically in their risks and rewards.

Some of the risks associated with bond funds include:

Credit Risk

There is a possibility that companies or other issuers may fail to pay their debts (including the debt owed to holders of their bonds). Consequently, this affects mutual funds that hold these bonds. Credit risk is less of a factor for bond funds that invest in insured bonds or U.S. Treasury Bonds. By contrast, those that invest in the bonds of companies with poor credit ratings generally will be subject to higher risk.

Interest Rate Risk

There is a risk that the market value of the bonds will go down when interest rates go up. Because of this, investors can lose money in any bond fund, including those that invest only in insured bonds or U.S. Treasury Bonds. Funds that invest in longer-term bonds tend to have higher interest rate risk.

Prepayment Risk
Issuers may choose to pay off debt earlier than the stated maturity date on a bond. For example, if interest rates fall, a bond issuer may decide to "retire" its debt and issue new bonds that pay a lower rate. When this happens, the fund may not be able to reinvest the proceeds in an investment with as high a return or yield.

Stock Funds
Although a stock fund's value can rise and fall quickly (and dramatically) over the short term, historically stocks have performed better over the long term than other types of investments. This is true for corporate bonds, government bonds, and treasury securities. Overall "market risk" poses the greatest potential danger for investors in stocks funds. Stock prices can fluctuate for a broad range of reasons—such as the overall strength of the economy or demand for particular products or services. Not all stock funds are the same and each may have different risks. For example:

Small-Cap Funds
Funds that invest in stocks of small companies involve additional risks. Smaller companies typically have higher risk of failure and are not as established as larger blue-chip companies are. Historically, smaller-company stocks have experienced a greater degree of market volatility than the overall market average.

Mid-Cap Funds
Funds that invest in companies with smaller market capitalizations involve additional risks. The securities of these companies may be more volatile and less liquid than the securities of larger companies.

International Funds
International investments are subject to additional risks, including currency fluctuation, political instability and potential illiquid markets.

Emerging Market Funds
Funds that invest in foreign securities involve special additional risks. These risks include, but are not limited to currency risk, political risk and risk associated with varying accounting standards. Investing in emerging markets may accentuate these risks.

Sector Funds
Sector funds may specialize in a particular industry segment, such as technology or consumer products stocks. Funds that invest exclusively in one sector or industry involve additional risks. The lack of industry diversification subjects the investor to increased industry-specific risk. For example, products of companies in which technology funds invest may be subject to severe competition and rapid obsolescence.

REIT Funds
REIT Funds include REITs within the underlying fund holdings. REITs primarily invest in real estate or real estate-related loans. REIT investments include illiquidity and interest rate risk.

Real Estate Funds
Investments in real estate funds are subject to the risks related to direct investment in real estate, such as real estate risk, regulatory risks, concentration risk and diversification risk.

TIPS Funds

Treasury Inflation Protection Securities (TIPS) are inflation-indexed securities structured to remove inflation risk. SRCM does not utilize individual TIPS, but may recommend mutual funds and exchange traded funds that include TIPS within the underlying fund holdings.

Tax Consequences of Mutual Funds

When investors buy and hold an individual stock or bond, the investor must pay income tax each year on the dividends or interest the investor receives. However, the investor will not have to pay any capital gains tax until the investor actually sells and makes a profit. Mutual funds are different. When an investor buys and holds mutual fund shares, the investor will owe income tax on any ordinary dividends in the year the investor receives or reinvests them. Moreover, in addition to owing taxes on any personal capital gains when the investor sells shares, the investor may have to pay taxes each year on the fund's capital gains. That is because the law requires mutual funds to distribute capital gains to shareholders if they sell securities for a profit that cannot be offset by a loss.

Exchange-Traded Funds (ETFs)

Like stock mutual funds, the prices of the underlying securities and the overall market may affect ETF prices. Similarly, factors affecting a particular industry segment may affect ETF prices that track that particular sector.

Closed-end Funds

Risk factors pertaining to closed-end funds vary from fund to fund. The following list of risk factors provides a review of those associated with generalized closed-end fund investing. Not every risk factor in this list will pertain to each closed-end fund.

Market Risk

Securities may decline in value due to factors affecting securities markets generally or particular industries. The value of a trust/fund may be worth less than the original investment.

Valuation Risk

Common shares may trade above (a premium) or below (a discount) the net asset value (NAV) of the trust/fund's portfolio. At times, discounts could widen or premiums could shrink, which could either dilute positive performance or compound negative performance. There is no assurance that discounted funds will appreciate to their NAV.

Interest Rate Risk

Generally, when market interest rates rise, bond prices fall, and vice versa. Interest rate risk is the risk that the bonds and/or other income-related instruments in a fund's portfolio will decline in value because of increases in market interest rates. The prices of longer-maturity securities tend to fluctuate more than shorter-term security prices.

Credit Risk

One or more securities in a trust/fund's portfolio could decline or fail to pay interest or principal when due. Income-related securities of below investment grade quality are predominately speculative with respect to the issuer's capacity to pay interest and repay principal when due and, therefore, involve a greater risk of default.

Concentration Risk

A trust/fund that invests a substantial portion of its assets in securities within a single industry or sector of the economy may be subject to greater price volatility or adversely affected by the performance of securities in that particular sector or industry.

Reinvestment Risk

Income from a trust/fund's bond portfolio will decline when the trust/fund invests the proceeds from matured, traded, or called bonds at market interest rates that are below the portfolio's current earnings rate. A decline in income could affect the common shares' market price or their overall returns.

Leverage Risk

The use of leverage may lead to increased volatility of a trust/fund's NAV and market price relative to its common shares. Leverage is likely to magnify any losses in the trust/fund's portfolio, which may lead to increased market price declines. Fluctuations in interest rates on borrowings or the dividend rates on preferred shares that take place from changes in short-term interest rates may reduce the return to common shareholders or result in fluctuations in the dividends paid on common shares. There is no assurance that a leveraging strategy will be successful.

Foreign Investment Risk

Investment in foreign securities (both governmental and corporate) may involve a high degree of risk. Trusts/funds invested in foreign securities are subject to additional risks such as, but not limited to, currency risk and exchange-rate risk, political instability, and economic instability of the countries from where the securities originate. In regard to debt securities, such risks may impair the timely payment of principal and/or interest.

Alternative Minimum Tax (AMT)

A trust/fund may invest in securities subject to the alternative minimum tax.

Fluctuating Dividends in Actively Managed Portfolios

The composition of the trust/fund's portfolio could change, which, all else being equal, could cause a reduction in dividends paid to common shares. Certain closed-end funds invest in common stocks. There is no guarantee of dividends from these common stocks. Fluctuations in dividend levels over time, up and down, are to be expected.

Equity Securities

The prices of stocks and the income they generate (such as dividends) fluctuate based on, among other things, events specific to the company that issued the shares, conditions affecting the general economy and overall market changes, changes or weakness in the business sector the company does business in, and other factors.

There may be little trading in the secondary market for particular equity securities, which may adversely affect SRCM's ability to value accurately or dispose of such equity securities. Adverse publicity and investor perceptions, whether or not based on fundamental analysis, may decrease the value and/or liquidity of equity securities.

Small Capitalization Equity Securities

Investing in smaller companies may pose additional risks as it is often more difficult to value or dispose of small company stocks, more difficult to obtain information about smaller companies, and the prices of their stocks may be more volatile than stocks of larger, more established companies. Clients should have a long-term perspective and, for example, be able to tolerate potentially sharp declines in value.

Debt Securities (Bonds)

The market prices of debt securities fluctuate depending on such factors as interest rates, credit quality, and maturity. In general, market prices of debt securities decline when interest rates rise and increase when interest rates fall. The longer the time to a bond's maturity, the greater its interest rate risk.

Certain additional risk factors relating to debt securities include:

Reinvestment Risk

When interest rates are declining, investors have to reinvest their interest income and any return of principal, whether scheduled or unscheduled, at lower prevailing rates.

Inflation Risk

Inflation causes tomorrow's dollar to be worth less than today's; in other words, it reduces the purchasing power of a bond investor's future interest payments and principal, collectively known as "cash flows." Inflation also leads to higher interest rates, which in turn leads to lower bond prices.

Interest Rate and Market Risk

Debt securities may be sensitive to economic changes, political and corporate developments, and interest rate changes. Investors can also expect periods of economic change and uncertainty, which can result in increased volatility of market prices and yields of certain debt securities. For example, prices of these securities can be affected by financial contracts held by the issuer or third parties (such as derivatives) relating to the security or other assets or indices.

Call Risk

Debt securities may contain redemption or call provisions entitling their issuers to redeem them at a specified price on a date prior to maturity. If an issuer exercises these provisions in a lower interest rate market, the account would have to replace the security with a lower yielding security, resulting in decreased income to investors.

Usually, a bond is called at or close to par value. This subjects investors that paid a premium for their bond to a risk of lost principal. In reality, prices of callable bonds are unlikely to move much above the call price if lower interest rates make the bond likely to be called.

Credit Risk

If the issuer of a debt security defaults on its obligations to pay interest or principal or is the subject of bankruptcy proceedings, the account may incur losses or expenses in seeking recovery of amounts owed to it.

Liquidity and Valuation Risk

There may be little trading in the secondary market for particular debt securities, which may affect adversely the account's ability to value accurately or dispose of such debt securities. Adverse publicity and investor perceptions, whether or not based on fundamental analysis, may decrease the value and/or liquidity of debt securities.

Bond rating agencies may assign modifiers (such as +/-) to ratings categories to signify the relative position of a credit within the rating category. Unless we state otherwise, clients should include any security within that category without considering the modifier when reading their investment policies based on ratings categories.

Obligations Backed by the "Full Faith and Credit" of the U.S. Government

U.S. government obligations include the following types of securities:

U.S. Treasury Securities

U.S. Treasury securities include direct obligations of the U.S. Treasury, such as Treasury bills, notes, and bonds. For these securities, the U.S. government unconditionally guarantees the payment of principal and interest, resulting in the highest possible credit quality. Fluctuations in interest rates subject U.S. Treasury securities to variations in market value. However, they are paid in full when held to maturity.

Federal Agency Securities

Certain U.S. government agencies and government-sponsored entities guarantee the timely payment of principal and interest with the backing of the full faith and credit of the U.S. government.

Other Federal Agency Obligations

Additional federal agency securities are neither direct obligations of, nor guaranteed by, the U.S. government. These obligations include securities issued by certain U.S. government agencies and government-sponsored entities. However, they generally involve some form of federal sponsorship: some operate under a government charter; specific types of collateral back some; the issuer's right to borrow from the Treasury supports some; and only the credit of the issuing government agency or entity supports others.

Municipal Bonds

Municipal bonds are debt obligations generally issued to obtain funds for various public purposes, including the construction of public facilities. Municipal bonds pay a lower rate of return than most other types of bonds. However, because of a municipal bond's tax-favored status, investors should compare the relative after-tax return to the after-tax return of other bonds, depending on the investor's tax bracket. Investing in municipal bonds carries the same general risks as investing in bonds in general. Those risks include interest rate risk, reinvestment risk, inflation risk, market risk, call or redemption risk, credit risk, and liquidity and valuation risk. Investing in municipal bonds carries risk unique to these types of bonds, which may include:

Legislative Risk

Legislative risk includes the risk that a change in the tax code could affect the value of taxable or tax-exempt interest income.

Tax-Bracket Changes

Municipal bonds generate tax-free income, and therefore pay lower interest rates than taxable bonds. Investors who anticipate a significant drop in their marginal income-tax rate may benefit from the higher yield available from taxable bonds.

Liquidity Risk

The risk that investors may have difficulty finding a buyer when they want to sell and may be forced to sell at a significant discount to market value. Liquidity risk is greater for thinly traded securities such as lower-rated bonds, bonds that were part of a small issue, bonds that have recently had their credit rating downgraded or bonds sold by an infrequent issuer. Municipal bonds may be less liquid than other bonds.

Credit Risk

Credit risk includes the risk that a borrower will be unable to make interest or principal payments when they are due and therefore default. To reduce investor concern, insurance policies that guarantee repayment in the event of default back many municipal bonds.

AMT

SRCM invests in a variety of fixed income securities for clients. For those accounts seeking preservation of capital and current income exempt from taxation, SRCM does not invest in municipal bonds subject to the Alternative Minimum Tax ("AMT") without the expressed prior written permission of the client.

General Obligation vs. Revenue Bonds

Typically, investors consider General Obligation bonds to be safer than Revenue bonds since the full faith and credit of the issuer backs the interest and principal payments. With revenue bonds, the interest and principal are dependent upon the revenues paid by users of the facility or service. Frequently the issuers of revenue bonds are either private sector corporations (e.g. hospitals) or entities that exist, often in local monopoly form, to provide a public service (e.g. power utilities or public transportation authorities). Consequently, the thought is that the consumer spending that provides the funding or income stream for revenue bond issuers may be more vulnerable to changes in consumer tastes or a general economic downturn compared to a state or city's ability to raise taxes to pay for its General Obligation commitments.

Municipal Bonds of a Particular State

Municipal bonds are debt obligations generally issued to obtain funds for various public purposes, including the construction of public facilities. Securities issued by California municipalities are more susceptible to factors adversely affecting issuers of California securities. For example, in the past, California voters have passed amendments to the state's constitution and other measures that limit the taxing and spending authority of California governmental entities, and future voter initiatives may adversely affect California municipal bonds.

Inflation-indexed Bonds

The principal amount of an inflation-indexed bond adjusts to changes in the level of the consumer price index. In the case of U.S. Treasury inflation-indexed bonds, the U.S. Government guarantees the repayment of the original bond principal upon maturity (as adjusted for inflation). Therefore, the principal amount of such bonds cannot fall below par even during a period of deflation. However, the current market value of these bonds is not guaranteed and will fluctuate, reflecting the rise and fall of yields. In certain jurisdictions outside the United States the repayment of the original bond principal upon the maturity of an inflation-indexed bond is not guaranteed. This causes the amount of the bond repaid at maturity to be less than par. The interest rate for inflation-indexed bonds is fixed at issuance as a percentage of this adjustable principal. Accordingly, the actual interest income may both rise and fall as the principal amount of the bonds adjusts in response to movements of the consumer price index. For example, typically interest income would rise during a period of inflation and fall during a period of deflation.

Securities with Equity and Debt Characteristics

Some types of convertible bonds, preferred stocks or other preferred securities automatically convert into common stocks or other securities at a stated conversion ratio and some may be subject to redemption at the option of the issuer at a predetermined price. These securities, prior to conversion, may pay a fixed rate of interest or a dividend. Because convertible securities have both debt and equity characteristics, their values vary in response to many factors, including the values of the securities into which they are convertible, general market and economic conditions, and convertible market valuations, as well as changes in interest rates, credit spreads and the credit quality of the issuer.

These securities may include hybrid securities, which also have equity and debt characteristics. Such securities are normally at the bottom of an issuer's debt capital structure. As such, they may be more sensitive to economic changes than more senior debt securities. Investors may also view these securities as more equity-like by the market when the issuer or its parent company experience financial problems.

The prices and yields of nonconvertible preferred securities or preferred stocks generally move with changes in interest rates and the issuer's credit quality, similar to the factors affecting debt securities. SRCM will treat nonconvertible preferred securities as debt for account investment limit purposes.

American Depository Receipts (ADRs)

An ADR is a stock that trades in the United States but represents a specified number of shares in a foreign corporation. ADRs are subject to risks of investing in foreign securities, including, but not limited to, less complete financial information available about foreign issuers, less market liquidity, more market volatility, and political instability. In addition, currency exchange-rate fluctuations affect the U.S. dollar-value of foreign holdings. Some ADRs and ordinary shares of foreign securities pay dividends, and many foreign countries impose dividend withholding taxes up to 30%. Depending on a custodian's ability to reclaim any withheld foreign taxes on dividends, taxable accounts may be able to recoup a portion of these taxes by use of the foreign tax credit. However, tax-exempt accounts, to the extent they pay any foreign withholding taxes, may not be able to utilize the foreign tax credit. Therefore, investors may be unable to recover any foreign taxes withheld on dividends of foreign securities or ADRs.

Cash and Cash Equivalents

Cash and cash equivalents are the most liquid of investments. Cash and cash equivalents are considered very low-risk investments meaning, there is little risk of losing the principal investment. Typically, low risk also means low return and the interest an investor can earn on this type of investment is low relative to other types of investing vehicles.

Master Limited Partnerships (MLPs)

With a few exceptions, MLPs hold and operate assets related to the transportation and storage of energy (certain MLPs may have commodity risk). In addition to general business risks, MLPs bear the following risks:

Risk of Regulation or Change

The main advantage of an MLP is its tax-advantaged status under the current Internal Revenue Code. Therefore, changes in the tax code resulting in the loss of its preferential treatment could significantly affect the viability of MLP investments.

Interest Rate Risk

It is commonly thought that MLPs perform better when interest rates are low, making their yield higher in relation to the safest investments, such as Treasury bills and securities that are guaranteed by the U.S. government. Consequently, MLPs may perform better during periods of declining or relative low interest rates and more poorly during periods of rising or high interest rates.

Tax Risk

MLPs are pass-through entities, passing earnings through to the limited partners. Investors must be aware that there are potentially significant tax implications of investing in MLPs and they should consult with their tax advisor before investing in these securities. For example, income allocated to organizations that are exempt from federal income tax, including IRAs and other retirement plans, may be allocated unrelated business taxable income from a master limited partnership and this income could be taxable to them.

Financial Planning

The financial planning tools SRCM uses to create financial plans for clients rely on various assumptions, such as estimates of inflation, risk, economic conditions and rates of return on security asset classes. All return assumptions use asset class returns, not returns of actual investments, and do not include fees or expenses that clients would pay if they invested in specific products.

Financial planning software is only a tool used to help guide SRCM and the client in developing an appropriate plan, and we cannot guarantee that clients will achieve the results shown in the plan. Results will vary based on the information provided by the client regarding the client's assets, risk tolerance and personal information. Changes to the program's underlying assumptions or differences in actual personal, economic or market outcomes may result in materially different results for the client. Clients should carefully consider the assumptions and limitations of the financial planning software as disclosed on the financial planning reports and should discuss the results of the plan with a qualified investment professional before making any changes in their investment or financial planning program.

If the financial plan includes recommendations for investing in securities, one should understand that investing in securities involves risk of loss, and one should be prepared to bear that risk.

ITEM 9 – DISCIPLINARY INFORMATION

SRCM and our personnel seek to maintain the highest level of business professionalism, integrity, and ethics. SRCM does not have any disciplinary information to disclose.

ITEM 10 – OTHER FINANCIAL INDUSTRY ACTIVITIES AND AFFILIATIONS

Related Insurance Agencies

Gary Kaltenbach owns 100% of Signature Resources, Inc.; Signature Benefit Insurance Services, Inc.; and Coldbrooke Financial Services, Inc.; all of which are affiliated California licensed insurance agencies.

Signature Resources, Inc. owns DIBA Insurance Services, LLC, an insurance brokerage firm. Gregory and Geoffrey Kaltenbach are officers and owners of Signature Resources Insurance & Financial Services, Inc., a California licensed insurance agency. Gregory Kaltenbach spends approximately 80% of his time and Geoffrey Kaltenbach spends approximately 90% of his time providing insurance services. In addition, other SRCM personnel are also insurance agents/brokers of various insurance companies.

In their capacities as insurance agents/brokers, certain personnel of SRCM at times recommend insurance or other products to the firm's clients. Consequently, these persons receive commissions for products they sell through the firm with which they are associated. Therefore, a conflict of interest exists between the interests of these individuals and those of the advisory clients. However, clients are under no obligation to act on any recommendations of these individuals or effect any transactions through them or through the above related entities if they decide to follow their recommendations.

Registered Representatives of Unaffiliated Broker-Dealer/Adviser

Some SRCM personnel are also registered securities representatives and investment advisory representatives of MML Investors Services, LLC ("MMLIS"), a non-affiliated dually registered broker-dealer and investment advisory firm and a member of the Financial Industry Regulation Authority ("FINRA").

In their capacities as registered representatives, these individuals recommend securities, advisory, or other products to SRCM's clients, and receive commissions if the client purchases products through MMLIS. Thus, a conflict of interest exists between the interests of these persons and those of clients. However, clients are under no obligation to act on any recommendations of these individuals or effect any transactions through the individual if they decide to follow the recommendations. These persons also receive compensation, commissions and/or trailing 12b-1 fees from MMLIS for services provided to MMLIS' brokerage and/or investment advisory clients.

ITEM 11 – CODE OF ETHICS, PARTICIPATION OR INTEREST IN CLIENT TRANSACTIONS AND PERSONAL TRADING

Code of Ethics

SRCM believes that we owe clients the highest level of trust and fair dealing. As part of our fiduciary duty, we place the interests of our clients ahead of the interests of the firm and our personnel. SRCM's personnel are required to conduct themselves with integrity at all times and follow the principles and policies detailed in our Code of Ethics.

SRCM's Code of Ethics attempts to address specific conflicts of interest that either we have identified or that could likely arise. SRCM's personnel are required to follow clear guidelines from the Code of Ethics in areas such as gifts and entertainment, other business activities, and adherence to applicable federal securities laws. Additionally, individuals who make securities recommendations to clients, or who have access to nonpublic information regarding any clients' purchase or sale of securities (all considered "Access Persons"), are subject to personal trading policies governed by the Code of Ethics (see below).

SRCM will provide a complete copy of the Code of Ethics to any client or prospective client upon request.

Personal Trading Practices

SRCM and our personnel may purchase or sell securities for themselves, regardless of whether the transaction would be appropriate for the client account. SRCM or our Access Persons may purchase or sell securities for themselves that we also recommend to clients. This includes related securities (e.g., warrants, options, or futures). This presents a potential conflict of interest as we may have an incentive to take investment opportunities from clients for our own benefit, favor our personal trades over client transactions when allocating trades, or to use the information about the transactions we intend to make for clients to our personal benefit by trading ahead of clients.

Our policies to address these conflicts include the following:

1. The client receives the opportunity to act on investment recommendations prior to and in preference to accounts of Access Persons.
2. SRCM prohibits trading in a manner that takes personal advantage of price movements caused by client transactions.
3. If we wish to purchase or sell the same security that we are considering or taking action to purchase or sell for a client, we will not do so until the custodian fills client orders or we have decided not to purchase or sell the security for clients. As a result of this policy, it is possible that clients may receive a better or worse price than SRCM or an Access Person for the same security on the same day as a client or one or more days before or after the client's transaction.
4. Access Persons must obtain prior written approval from the Chief Compliance Officer prior to making personal trades in certain securities.

Aggregation with Client Orders

At times SRCM will aggregate orders for clients in the same securities in an effort to seek best execution, negotiate more favorable commission rates, and/or allocate differences in prices, commissions and other transaction costs equitably among our clients. These are benefits of aggregation orders that we might not obtain if we placed those orders independently.

At times SRCM will aggregate trades in like securities among client accounts as well as with accounts of SRCM and our personnel. This presents a potential conflict of interest as we may have an incentive to allocate more favorable executions to our own accounts or the accounts of our personnel.

Our policies to address this conflict are as follows:

1. We will disclose our aggregation policies in this brochure;
2. We will not aggregate transactions unless we believe that aggregation is consistent with our duty to seek best execution (which includes the duty to seek best price) for our clients. The trade also needs to be consistent with the terms of our investment advisory agreement with each client that has an account included in the aggregation;
3. No account will be favored over any other account. This includes accounts of SRCM or any of our personnel. Each account in aggregated trade will participate at the average share price for all of our transactions in a given security on a given business day (per custodian). All accounts will pay their individual transaction costs;
4. Before entering an aggregated order, we will prepare a written statement (the "Allocation Statement") specifying the participating accounts and how we intend to allocate the order among

those accounts. This statement generally is automatically generated and stored by the firm's trading software;

5. If the aggregated order is filled entirely, we will allocate shares among clients according to the Allocation Statement; if the order is partially filled, we will allocate it pro-rata according to the Allocation Statement;
6. However, we may allocate the order differently than specified in the Allocation Statement if all client accounts receive fair and equitable treatment. (See also ***Item 12 – Brokerage Practices*** below.) In this case, we will explain the reasons for a different allocation in writing, which the CCO must approve no later than one hour after the opening of the markets on the trading day following the day the order was executed;
7. If an aggregated order is partially filled and we allocate it differently than the Allocation Statement specifies, no participating account may purchase or sell the security for a reasonable period following the execution of the block trade. This only applies when the participating account sells or receives more shares than it would have if the aggregated order been completely filled;
8. Our books and records will separately reflect each aggregated order and the securities held by, bought, and sold for each client account;
9. We do not receive additional compensation or remuneration of any kind as a result of aggregating orders; and
10. We will provide individual investment advice and treatment to each client's account.

Participation or Interest in Client Transactions

The following items represent situations where a conflict of interest may exist between the client and SRCM and our personnel.

ITEM 12 – BROKERAGE PRACTICES

The Custodians and Brokers We Use

SRCM requires clients to open one or more custodian accounts in their own name at a "qualified custodian," generally a broker-dealer or bank, of the client's choice. We request that clients use Charles Schwab & Co., Inc. ("Schwab"), a registered broker-dealer, member SIPC, as the qualified custodian. We are independently owned and not affiliated with Schwab. Schwab will hold client assets in a brokerage account and buy and sell securities when we instruct them to. The accounts will always be held in the name of the client and never in SRCM's name. Not all advisors request their clients to use a particular broker-dealer or other custodian selected by the advisor. Even though client account are maintained at Schwab, we can still use other brokers to execute trades as described below (see ***Client Brokerage and Custody Costs***). We will sometimes use brokers other than Schwab to execute purchases and sales of bonds.

How We Select Brokers/Custodians

We seek to recommend a custodian/broker who will hold client assets and execute transactions on terms that are, overall, most advantageous when compared to other available providers and their services. We consider a wide range of factors, including, among others:

- Combination of transaction execution services and asset custody services (generally without a separate fee for custody)

- Capability to execute, clear, and settle trades (buy and sell securities for client accounts)
- Capability to facilitate transfers and payments to and from accounts (wire transfers, check requests, bill payment, etc.)
- Breadth of available investment products (stocks, bonds, mutual funds, exchange-traded funds [ETFs], etc.)
- Availability of investment research and tools that assist us in making investment decisions
- Quality of services
- Competitiveness of the price of those services (commission rates, margin interest rates, other fees, etc.) and willingness to negotiate the prices
- Reputation, financial strength, and stability
- Prior service to us and our other clients
- Availability of other products and services that benefit us, as discussed below (see "*Products and Services Available to Us from Schwab*")

Client Brokerage and Custody Costs

For our clients' accounts that Schwab maintains, Schwab generally does not charge the client separately for custody services but is compensated by charging commissions or other fees on trades that it executes or that settle into the Schwab account. Schwab's commission rates applicable to our client accounts were negotiated based on the condition that our clients collectively maintain a total of at least $10 million of their assets in accounts at Schwab. This commitment benefits clients because the overall commission rates paid are lower than they would be otherwise. In addition to commissions, Schwab charges a flat dollar amount as a "prime broker" or "trade away" fee for each trade that we have executed by a different broker-dealer but where the securities bought or the funds from the securities sold are deposited (settled) into a Schwab account.

These fees are in addition to the commissions or other compensation clients pay the executing broker-dealer. Because of this, in order to minimize trading costs, we have Schwab execute most trades for client accounts. We have determined that having Schwab execute most trades is consistent with our duty to seek "best execution" of trades. Best execution means the most favorable terms for a transaction based on all relevant factors, including those listed above (see ***How We Select Brokers/Custodians***).

We will use broker-dealers other than Schwab to execute bond trades when the execution we receive from these bond brokers after the deduction of the additional "prime broker" or "trade away" fees will net a lower cost or better price for the client than if Schwab executed the trade.

Additionally, Schwab charges $13 per trade in most mutual funds in which we invest. However, we generally choose funds that do not charge ongoing 12b-1 fees. We believe that the savings the client receives by buying low-cost funds without ongoing 12b-1 fees exceeds the $13 cost over typically a short holding period.

Products and Services Available to Us from Schwab

Schwab Advisor Services™ (formerly called Schwab Institutional®) is Schwab's business serving independent investment advisory firms like us. They provide us and our clients with access to their institutional brokerage— trading, custody, reporting and related services—many of which are not typically available to Schwab retail customers. Schwab also makes available various support services. Some of those services help us manage or administer our clients' accounts, while others help us manage and grow our business. Schwab's support services generally are available on an unsolicited basis (we don't have to request them) and at no charge to us as long as our clients collectively maintain a total of at least $10 million of their assets in accounts at Schwab. If our clients collectively have less than $10 million in assets at Schwab, Schwab may charge us quarterly service fees of $1,200. The following are more detailed descriptions of Schwab's support services:

Services That Benefit the Client

Schwab's institutional brokerage services include access to a broad range of investment products, execution of securities transactions and custody of client assets. The investment products available through Schwab include some to which we might not otherwise have access or that would require a significantly higher minimum initial investment by our clients. Schwab's services described in this paragraph generally benefit clients and their accounts.

Services That May Not Directly Benefit the Client

Schwab also makes available to us other products and services that benefit us but may not directly benefit clients and their accounts. These products and services assist us in managing and administering our clients' accounts. They include investment research, both Schwab's own and that of third parties. We use this research to service all or a substantial number of our clients' accounts, including accounts not maintained at Schwab. In addition to investment research, Schwab also makes available software and other technology that:

- Provide access to client account data (such as duplicate trade confirmations and account statements)
- Facilitate trade execution and allocate aggregated trade orders for multiple client accounts
- Provide pricing and other market data
- Facilitate payment of our fees from our clients' accounts
- Assist with back-office functions, recordkeeping, and client reporting

Services That Generally Benefit Only Us

Schwab also offers other services intended to help us manage and further develop our business enterprise. These services include:

- Educational conferences and events
- Consulting on technology, compliance, legal, and business needs
- Publications and conferences on practice management and business succession
- Access to employee benefits providers, human capital consultants, and insurance providers

Schwab provides some of these services, and in other cases, they will arrange for third-party vendors to provide the services to us. Schwab may also discount or waive their fees for some of these services or pay all or a part of a third party's fees. Schwab also provides us with other benefits such as occasional business entertainment of our personnel.

Our Interest in Schwab's Services

The availability of these services from Schwab benefits us because we do not have to produce or purchase them. We are not required to pay for Schwab's services so long as our clients collectively keep a total of at least $10 million of their assets in accounts at Schwab. The $10 million minimum may give us an incentive to request that clients maintain their accounts with Schwab, based on our interest in receiving Schwab's services that benefit our business rather than based on client interest in receiving the best value in custody services and the most favorable execution of client transactions. This is a potential conflict of interest. We believe, however, that our selection of Schwab as custodian and broker is in the best interests of our clients. Our selection is primarily supported by the scope, quality and price of Schwab's services (see ***How We Select Brokers/Custodians***) and not Schwab's services that benefit only us.

Directed Brokerage Transactions

Clients who direct SRCM to use a particular broker-dealer for trading may pay higher commission charges. Under these circumstances, SRCM may not have authority to negotiate commissions or obtain volume discounts and best execution may not be achieved. Clients should further understand that when they direct SRCM to use a specific broker disparity in transaction charges might exist between the transaction costs charged to other clients. SRCM may not be able to aggregate orders to reduce transaction costs and clients who direct SRCM to use a particular broker-dealer may receive less favorable prices.

Aggregation and Allocation of Transactions

We describe our aggregation practices in detail under ***Item 11 – Aggregation with Client Orders*** above.

ITEM 13 – REVIEW OF ACCOUNTS

Investment Management Accounts Reviews

We manage portfolios on a continuous basis and generally review all positions in client accounts at least quarterly. We offer account reviews to clients typically on a quarterly, but no less frequently than on an annual basis. Clients may choose to receive reviews in person, by telephone or in writing. Portfolio Managers, Advisory Associates and/or Investment Adviser Representatives conduct all reviews based on a variety of factors. These factors may include but are not limited to account holder's personal, tax or financial status, certain additions or withdrawals and/or market factors.

In addition, if deemed necessary we will conduct a special review of an account based on one or more of the following:

- A change in the client's investment objectives, guidelines and/or financial situation;
- Changes in diversification;
- Macroeconomic; or
- Company-specific events.

Account Reporting

Each investment management client will receive a written statement from the custodian that includes an accounting of all holdings and transactions in the account for the reporting period. In addition, SRCM provides written reports detailing current holdings and asset allocation of each advisory client's accounts on a quarterly basis.

Retirement Plan Services Account Reviews

We will contact Retirement Plan Services clients at least once a year to review our Retirement Plan Services. It is important that clients discuss any changes in the Plan's demographic information, investment goals and objectives with the Investment Advisor Representative (IAR). Plans may receive written reports directly from their IAR based on the services being provided, including any reports evaluating the performance of Plan investment manager(s) or investments.

Financial Plan Reviews

SRCM reviews financial plans only upon request unless the client retains SRCM to update the plan on a continuous basis. Portfolio Managers, Advisory Associates and/or Investment Adviser Representatives prepare all financial plans and conduct all reviews.

ITEM 14 – CLIENT REFERRALS AND OTHER COMPENSATION

Solicitors

SRCM has entered into and in the future may enter into additional written contractual agreements with unaffiliated individuals and/or organizations ("solicitors"). These solicitors refer clients to us. When a solicitor introduces a client to SRCM, we pay that solicitor a referral fee in accordance with the requirements of Rule 206(4)-3 of the Investment Advisers Act of 1940.

If a solicitor introduces a client to SRCM, that solicitor will disclose the nature of the solicitor relationship with SRCM at the time of the solicitation. In addition, the solicitor will provide each prospective client with a copy of this brochure, and a copy of the written disclosure statement from the solicitor to the client disclosing the terms and conditions of the arrangement between SRCM and the solicitor, including the compensation the solicitor will receive from SRCM. The total fee charged to clients includes the solicitation fee paid by SRCM to the solicitor in addition to the advisory fees charged by SRCM. The result is that clients referred by an unaffiliated solicitor may pay a higher total fee than they would if they had hired SRCM directly.

Outside Compensation

At times SRCM refers clients to unaffiliated professionals for specific needs, such as accountants or estate planning or other attorneys. At SRCM, we do not have any agreements with individuals or companies that we refer clients to, and we do not receive any compensation for these referrals.

SRCM only refers clients to professionals we believe are competent and qualified in their field. We have an internal process to gather information on the services and qualifications of each professional we recommend, but it is ultimately the client's responsibility to evaluate the provider. We will generally provide the client with a list of professionals that the client can contact, and it is solely the client's decision whether or not to engage a recommended firm. Clients are under no obligation to purchase any products or services through these professionals, and SRCM has no control over the services provided by another firm. Clients who chose to engage these professionals will sign a separate agreement with the other firm. Fees charged by the other firm are separate from and in addition to fees charged by SRCM.

If the client desires, SRCM will work with these professionals or the client's other advisers (such as an accountant, attorney, or other investment adviser) to help ensure that the provider understands the client's financial plan and to coordinate services for the client. SRCM will never share information with an unaffiliated professional unless first authorized by the client.

Economic Benefit from Schwab

We receive an economic benefit from Schwab in the form of the support products and services it makes available to us and other independent investment advisors that have their clients maintain accounts at Schwab. These products and services, how they benefit us, and the related conflicts of interest are described above (see **Item 12- Brokerage Practices**). The availability to us of Schwab's products and services is not based on us giving particular investment advice, such as buying particular securities for our clients.

Other Compensation

Signature Resources Capital Management may receive additional compensation from various vendors, product providers, distributors and others. These providers may provide non-monetary compensation by paying some expenses related to training and education, including travel expenses, and attaining professional designations. Signature Resources Capital Management might receive payments to subsidize our own training programs. Certain vendors may invite us to participate in conferences, on-line training or receive publications that may further our skills and knowledge. Some may occasionally provide us with gifts, meals and entertainment of reasonable value consistent with industry rules and regulations.

If applicable, and in the event the payments, or non-monetary compensation, are received in connection with or as a result of the Retirement Plan Services, we will disclose such fees to Sponsors in accordance with ERISA and Department of Labor regulations.

ITEM 15 – CUSTODY

SRCM has limited custody of some of our clients' funds or securities when the clients authorize us to deduct our management fees directly from the client's account. A qualified custodian (generally a broker-dealer, bank, trust company, or other financial institution) holds clients' funds and securities. Clients will receive statements directly from their qualified custodians at least quarterly. The statements will reflect the client's funds and securities held with the qualified custodian as well as any transactions that occurred in the account, including the deduction of SRCM's fee. Clients should carefully review the account statements they receive from their qualified custodians. When clients receive statements from SRCM as well as from the qualified custodian, clients should compare these two reports carefully. Clients with any questions about statements should contact us at the address or phone number on the cover of this brochure. Clients who do not receive their statement from their qualified custodians at least quarterly should also notify us.

Signature Resources Capital Management will not serve as a custodian for Plan assets in connection with the Retirement Plan Services. Sponsor is responsible for selecting the custodian for Plan assets. We may be listed as the contact for the Plan account held at an investment sponsor or custodian. Sponsor for the Plan will complete account paperwork with the outside custodian that will provide the name and address of the custodian. The custodian for Plan assets is responsible for providing the Plan with periodic confirmations and statements. We recommend that Sponsor reviews the statements and reports received directly from the custodian or investment sponsor.

ITEM 16 – INVESTMENT DISCRETION

Discretionary

For discretionary accounts, SRCM has full discretion to decide the specific security to trade, the quantity and the timing of transactions for client accounts. SRCM will not contact clients before placing trades in their accounts, but clients will receive confirmations directly from the broker for any trades placed. Clients grant us discretionary authority in the contracts they sign with us. Clients also give us trading authority over their accounts when they sign the custodian paperwork.

Limited-Discretionary

For limited-discretionary accounts, SRCM will typically contact the client and obtain the client's verbal or written consent before making asset allocation changes in the client's account. However, SRCM is not required to contact the client when the planned trades are to rebalance or reposition the client's account to a previously agreed upon broad asset class-based allocation. We believe in working closely with our clients to keep them informed of our investment recommendations and to ensure our recommendations are consistent with the changing circumstances of the client. Clients grant us limited-discretionary authority in the contracts they sign with us. Clients also give us trading authority over their accounts when they sign the custodian paperwork.

However, certain client-imposed conditions may limit SRCM's discretionary authority, such as where the client prohibits transactions in specific security types or directs SRCM to execute transactions through specific broker-dealers. See also **Item 4 –** ***Tailored Services and Client Imposed Restrictions*** and ***Item – 12 Brokerage Practices***, above.

Non-Discretionary

For non-discretionary accounts, SRCM will contact the client before making recommendations we deem appropriate for the client. Non-discretionary clients should be aware that recommendations are typically time sensitive and the following circumstances may cause market movements to work against the client:

1. SRCM will not effect the transaction until we receive verbal or written instructions from the client;
2. SRCM generally will not aggregate transactions for non-discretionary accounts with discretionary and limited-discretionary accounts; and
3. Transactions for non-discretionary accounts will generally be effected after transactions in discretionary and limited-discretionary accounts.

Retirement Plan Services

When providing Retirement Plan Services described herein, we may exercise discretionary authority or control over the investments specified in the Agreement. We perform these services to the Plan as a fiduciary under ERISA Section 3(21) and investment manager under ERISA Section 3(38). We are legally required to act with the degree of diligence, care and skill that a prudent person rendering similar services would exercise under similar circumstances. This discretionary authority is specifically granted to us by Sponsor, as specified in the Agreement (*see also,* ***Item 4*** *above*).

ITEM 17 – VOTING CLIENT SECURITIES

Proxy Voting

SRCM does not accept or have the authority to vote client securities. SRCM will not be deemed to have proxy voting authority solely as a result of providing advice or information about a particular proxy vote to a client. Clients will receive their proxies or other solicitations directly from their custodian or a transfer agent.

Retirement Plans

SRCM has no authority or responsibility to vote any security held by the retirement plans or the related proxies. That authority is reserved by the Sponsor or trustee of the retirement plan.

Mutual Funds

The investment adviser that manages the assets of a registered investment company (i.e., mutual fund) generally votes proxies issued on securities held by the mutual fund.

Class Actions

SRCM does not instruct or give advice to clients on whether or not to participate as a member of class action lawsuits and will not automatically file claims on the client's behalf. However, if a client notifies us that they wish to participate in a class action, we will provide the client with any transaction information pertaining to the client's account needed for the client to file a proof of claim in a class action.

ITEM 18 – FINANCIAL INFORMATION

Registered investment advisers are required in this item to provide clients with certain financial information or disclosures about the firm's financial condition. SRCM does not require the prepayment of more than $1,200 in fees per client, six months or more in advance, and does not foresee any financial condition that is reasonably likely to impair our ability to meet contractual commitments to clients.

Signature Resources Capital Management LLC ("the firm") participated in the Paycheck Protection Program ("PPP") loan program from the U.S. Small Business Administration. The firm determined, at the time of its application for the loan, that the results of the COVID-19 outbreak, including the dramatic increase in market volatility in addition to the lack of visibility with regard to the medium-term and long-term implications of the outbreak and the policy, legal and regulatory responses to it, had the potential to result in a marked decrease in revenue. Without the PPP loan, the firm would have had to consider laying off staff and/or reducing salaries until our outlook for medium-term financial stability became more certain. While we believe that our current business continuity plan allows the Firm to continue to provide services to our clients without interruption, the PPP Loan allows us to maintain our current staff at pre-outbreak levels.